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REPORT OF THE ADVISORY COMMITTEE ON THE CONSTRUCTION INDUSTRY

April 30, 1984

INTRODUCTION

The following report is the consensus of the Advisory Committee on the Construction Industry. This Committee was established by the Minister of Labour in December, 1983, and given the following Terms of Reference:

1. Develop the basic objectives for a healthy construction industry; and for the employer and employee relations in this industry.

2. Recommend the process that could be followed by Government to assure the opportunity for effective participation by all interested parties in a review of employer and employee relations legislation for the construction industry.

3. Recommend the structure and composition that will most effectively provide continuing consultative mechanism to the construction industry.

4. Recommend to Government and others what actions could be taken for the immediate well being of the construction industry.

MEETINGS OF THE COMMITTEE

The Committee met in full session on January 12, February 1, March 15, and April 30, 1984. Ten sub-committee meetings were held in February, March, and April, 1984.

CONSTRUCTIVE DIALOGUE

A significant accomplishment of the Committee was to achieve constructive dialogue between interest groups and organizations that previously had not sat down together at one table.

The interest groups represented on the Committee were Building Trade Unions, other unions active in the construction industry, unionized contractors, non-union contractors, construction buyers and Government. The organizations from which Committee members were drawn were:

Alberta and Northwest Territories Building and Construction Trades Council

Alberta Construction Association

Alberta Council of Unions

Alberta Department of Labour

Alberta Roadbuilders Association

Boilermakers Contractors Association

Builders and Developers Association

Christian Labour Association of Canada

Construction Labour Relations - an Alberta Association

Construction Owners Association of Alberta

Electrical Contractors Association of Alberta

Industrial Contractors Association of Canada

International Representatives of Construction Building Trades

Pipeline Contractors Association of Canada

United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry

DIFFERENCES SET ASIDE

At the time of the formation of the Committee and continuing through to completion of its activities, there existed considerable tension between some of the organizations represented on the Committee, occasioned by:

- changes in labour legislation proposed by some and opposed by others

- positions and actions taken relative to the negotiations for renewal of Collective Agreements

- legal actions underway between organizations

Members of the Committee deserve considerable credit that these and other differences could be set aside, constructive dialogue held and serious effort made to achieve areas of agreement.

ACCOMPLISHMENTS

Perhaps the most significant accomplishments of the Committee will not appear in this report as they are in the informational and attitudinal exchanges that occurred during the meetings of the Committee and sub-committees.

However, it is very noteworthy that broad consensus was achieved on the following:

1. The participants in the industry must address with urgency, problems currently facing them

and not rely on others (like government) to address their problems for them.

2. That a structured representational consultative "mechanism" must be established for that purpose.

3. That despite the urgency, current problems facing the industry should not be dealt with in an ad hoc hurried way, but should be studied by or under the auspices of that "mechanism".

4. That a review of legislation affecting the construction industry is needed and should be conducted by or under the auspices of the "mechanism".

The Committee addressed itself to each of the four terms in the Terms of Reference and its reports and recommendations in that regard follow. The significant recommendation is for the formation of the "mechanism" referred to above, which the Committee recommends be called the Construction Industry Advisory Council of Alberta (CIACA).

ACKNOWLEDGEMENTS

To achieve consensus among so large and diverse a group was no small task and considerable credit must go

to all Committee members for the constructive approach taken by them in meetings. A list of all Committee Members is attached.

Members of the Committee deserve acknowledgement for so freely giving of their time without remuneration or even reimbursement of their considerable travel expenses. The excellent attendance and active participation by Committee members speaks of their dedication to and concern for the well-being of their industry.

This report is respectfully submitted.

JACK DYCK,
Co-Chairman

IVAN W. HANCHARD,
Co-Chairman

1. Develop the basic objectives for a healthy construction industry; and for the employer and employee relations in that industry.

1.1 Attached are lists of principles and objectives for a healthy construction industry and impediments to their realization. The lists are the overall lists developed by the Committee. Not all members of the Committee were in agreement that each item listed should have been included and difference existed as to the priority to be attached to each. However, the true significance is with the list in its totality rather than the individual terms. Expressed are the combined views of the various interest groups active in the industry which if addressed would result in a healthy industry as viewed by all participants.

2. Recommend the process that could be followed by Government to assure the opportunity for effective participation by all interested parties in a review of employer and employee relations legislation for the construction industry:

2.1 The Committee recommends that a review of legislation affecting the employer-employee relationship in the construction industry be conducted on a priority basis, that such review include public hearings, and that the Construction Industry Advisory Council of Alberta (see 3.1), conduct the review under its auspices.

2.2 A separate construction industry employee relations/employment standards act or acts was seen by many of the Committee as desirable.

3. Recommend the structure and composition that will most effectively provide continuing consultative mechanism to the construction industry.

3.1 The Committee recommends the establishment of the Construction Industry Advisory Council of Alberta (CIACA). The Council is to be established such that it has status and profile in the industry and with Government. The council may require establishment by Order-in-Council or an Act of the Legislature to achieve this. A budget should be provided for Council's operation.

3.2 The goals/objectives of the Council be as follows:

1. Determine and address the real problems in the construction industry.

2. Facilitate understanding, communication and trust among industry participants (including government).

3. Facilitate the achievement of a healthy, stable construction industry thereby attracting capital investment.

3.3 Terms of Reference of the Council shall be as follows:

1. The Council shall make recommendations to the industry participants and government in keeping with its goals and objectives.

2. The Council shall review existing and proposed legislation and regulation affecting the industry and have the opportunity of meaningful input on:

   (a) process for review of legislation;

   (b) proposed changes to or continuance of existing legislation;

   (c) new legislation.

3. The Council shall establish sub-committees or utilize such resource persons as is deemed appropriate. The committee shall consider participation of a wide sector of the industry as an objective in this activity.

3.4 Chairmanship of the Council shall be by a person of stature and respect in the industry

who is able to devote considerable time to its activities. The Minister of Labour shall appoint the Chairman and establish his remuneration.

3.5 The Council shall be composed of the following persons:

Six (6) Employee Representatives
Six (6) Employer Representatives
Three (3) Construction Owner/Buyer Representatives
Three (3) Government Representatives who shall be:

1. The Minister of Labour as an ex-officio member of the Council.

2. The Assistant Deputy Minister - Labour Division.

3. An M.L.A., member of the Government Caucus.

(**NOTE:** the appropriateness of the appointment of an M.L.A. to the Council is left to the discretion of the Minister.)

3.6 The Secretariat for the Council shall be provided by the Department of Labour.

3.7 The nomination of persons tc the Council for Employee, Employer and Owner representation shall be conducted in the following manner:

1. A "convenor" is recognized for each sector:

   (a) for the Employees, the Alberta and Northwest Territories Building and Trades Council (ABTC);

   (b) for the Employers, the Alberta Construction Association (ACA);

   (c) for the Owners, the Construction Owners Association of Alberta (COAA).

2. Each convenor is to convene a meeting of all organizations active in its sector of the construction industry in Alberta who are interested in participation on the Council; the ABTC of employee "interest groups"; the ACA of employer "interest groups"; the COAA of owner/buyer "interest groups". The convenor shall be responsible for the conduct of the meeting and for ensuring that the nominees selected are representative of the various groups, organizations, and interests active in the industry.

3.8 The nomination shall be forwarded to the Minister who shall confirm their appointment to the Council.

3.9 The initial terms shall be for either three years or two years, to ensure that the composition of the Council is not changed in its entirety at any one time. Appointees shall not serve more than two consecutive terms.

3.10 Should a position become vacant during the term of an appointment, it shall be filled by the Council for the remainder of the term.

3.11 The convenor shall be responsible for the renomination of existing representatives for second terms or for the nomination of new persons to the Council in accordance with the procedures under 3.7.

3.12 The Council shall be responsible for the establishment of a budget for its operations which shall be forwarded to the Minister of Labour for approval and funding.

3.13 Council members (except for the chairman) shall serve without remuneration but shall be reimbursed for out of pocket travel expenses.

3.14 The Minister of Labour shall attend meetings of the Council on his own initiative or upon the request of the Chairman.

3.15 Government officials other than those appointed to the Council may be requested by the Chairman to attend meetings of the Council from time to time when a particular matter is under discussion by the Council involving their sphere of operations.

3.16 The Council shall maintain active communication with the industry in the following manner:

1. An annual meeting/seminar is to be held of the construction industry with representatives from all interest groups. The Council shall report to the industry on activities during the past year and seek guidance from the industry on priority concerns for the coming year.

2. Members of the Council shall report back regularly to their respective interest groups/organizations.

3. The Council shall issue a communique to all interested groups/organizations following each of their regular meetings and at such other time as the Council deems appropriate.

4. The Council shall invite written representations on an on-going basis on any matters of concern to active participants in the industry, and may call special meetings of the construction industry as the Council considers necessary.

5. The Chairman of the Council shall be the sole spokesman for the Council with the press/media.

3.17 The Council shall meet six (6) times per year on a bi-monthly basis for "regular" meetings and at such other times for special meetings as the Council deems necessary. The schedule of regular meetings shall be established for the year at the first meetings of the Council each year.

3.18 For the purpose of facilitating the establishment of the Council, a sub-committee of the Advisory Committee on the Construction Industry shall be established. The sub-committee shall meet with the convenors, explain the purpose and structure of the Council assist in ensuring that all appropriate interest groups/organizations are contacted to attend the meeting to select nominees, and generally assist in the establishment of the Council.

3.19 The Advisory Committee was unable to achieve consensus on one important point - namely the appropriateness of non-union employee representatives on the Council. Most particularly, the Committee was divided on the appropriateness of seeking to have non-union employees recognized as an "interest group" and thus represented on the Council. Accordingly, the Advisory Commitee requests that the Minister address this issue and that he provide the appropriate direction to the convenor as to whether this group should or should not be recognized and represented and by whom. All members of the Advisory Committee wish to assure the Minister that the commitment to the establishment of the Council is very real, and that despite the strength of the views on this point, all are prepared to

actively support the Council and participate in its activities if nominated, irrespective of the decision of the Minister on this matter.

4. Recommend to Government and others what actions could be taken for the immediate well-being of the construction industry.

In its meetings, the Committee addressed a number of the pressing concerns before the industry and agreed that many of these were in need of resolution. However, as stated in the introduction the consensus was that ad hoc solutions should not be found but that in-depth study and discussion was necessary. Accordingly, the Committee recommends that the Council (CIACA) be utilized for that purpose.

At the request of the Minister of Labour, the Committee did address itself to one issue - "a basic wage for the industry" and the reply of the Committee on this issue is attached.

CONCLUDING COMMENTS

The Committee appreciates the opportunity to bring their recommendations to the attention of the Minister of Labour. We recognize the urgency attached to many of the problems facing the industry and believe that the Council we have proposed can be very consequential in assisting Government, Employee Groups, Employer Groups and Owners/Buyers of Construction in their roles within the industry and in their interactions with each other.

The Committee requests following review of this report by the Minister of Labour that an opportunity be given for the entire committee to meet with the Minister to discuss these recommendations and be advised of any plans the Minister may have regarding implementation.

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ATTACHMENT B

OVERALL LISTING OF PRINCIPLES, OBJECTIVES, AND IMPEDIMENTS FOR A HEALTHY CONSTRUCTION INDUSTRY

PRINCIPLES

1. Fair and uniform conditions of employment for employers and employees.
2. Cost effectiveness.
3. Fair day's work for fair day's pay.
4. Right to join or not join union.
5. Co-operativeness.
6. Right to organize.
7. Trust.
8. Understanding.
9. Security of employment.
10. Social justice.
11. Opportunity.
12. Right of employee to participate in decision-making.
13. Challenge.

OBJECTIVES

1. Stability.
2. Create a climate that results in increased work for the industry.
3. Self-government (minimal government interference).
4. Flexible labour practices.
5. More efficient mechanisms to solve employer and employee problems.
6. Co-ordinated collective bargaining.
7. Standardization of working conditions.
8. Cost competitiveness locally and internationally.
9. Excellence in safety practices.
10. Controlled growth (avoid boom and bust).
11. High work quality.
12. Fair wage legislation.
13. Profitability.
14. Employee participation in planning and execution of work.
15. Teamwork in employee relations.
16. Open market competition.
17. Better communication and sharing of information.
18. Satisifed client.
19. More trust between participants.
20. Attend to mobile employees' needs.
21. Adequate supply of manpower.

IMPEDIMENTS

1. Legislation (Bill 110 and Section 133 of Labour Relations Act, Builders' Lien Act)

2. Spinoffs.

3. Collective agreement provisions.

4. Current collective bargaining process.

5. Registration.

6. Lack of common industry (eg. union/contractor/owner) objectives offered to government.

7. Jurisdiction.

8. Labour Relation Board decisions.

9. Certification.

10. Qualification of supervisors.

11. Mistrust and misunderstanding between self-interest groups.

12. Featherbedding.

13. Shirking of responsibilities by owners, contractors and unions.

14. Management practices.

15. Under-utilized industry.

16. The economy, National Energy Policy, taxation and size of current market.

17. Bonding practices.

ATTACHMENT C

10215 - 176 Street,
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March 19, 1984.

Honourable Leslie G. Young,
Minister of Labour,
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Dear Sir:

The Advisory Committee on the Construction Industry at its meeting on March 15, 1984, in response to your request, considered the matter of a Basic Wage Schedule (often called a Fair Wage Schedule) as it might be applied to Provincial Government Construction Contracts or Construction Contracts in general.

The consensus of the Committee was that no action on a Basic Wage Schedule should be taken at this time. Some members of the Committee felt that a mandatory wage schedule would create more problems than it would solve while others felt that the matter required in-depth study before any action is taken.

The conclusion drawn by the Co-Chairmen was that a Basic Wage Schedule should not be implemented at this time but should be referred for future in-depth consideration by a revitalized and revamped Construction Industry Industrial Relations Council, the structure of which will be the subject of recommendations from this Advisory Committee to be submitted to you in the near future.

Yours very truly,

J. DYCK, Co-Chairman.

I. W. HANCHARD, Co-Chairman.